

Table 1. Djibouti--Prior Action for Completion of the First Review and Structural Performance Criteria for the 2000 Program

I. Prior action for discussion by the Executive Board of the request for completion of the first review

- Adoption by Parliament of the supplementary budget law consistent with the policies and measures described in the memorandum on economic and financial policies agreed with the staff of the IMF.

II. Continuous structural performance criteria

- The specific taxes applied to petroleum products in July and August 2000 will be no lower than DF 28 per liter for gasoline, DF 16 per liter for gasoil, and DF 2 per liter for kerosene. From September 1, 2000 through December 31, 2000, the specific taxes will be no lower than DF 32 per liter for gasoline, DF 18 per liter for gasoil, and DF 7 per liter for kerosene.
- From the completion of the first review, the government will report data on revenue, expenditure and fiscal arrears to the IMF each month, with a maximum lag of six weeks, including any revisions made to previous months in the fiscal year. The government will also report foreign trade data on a quarterly basis with a maximum lag of six weeks.

III. Structural performance criteria for end-December 2000

- The government will adopt a budget for 2001 that is compatible with the parameters to be agreed with the IMF during the discussions for the second review under the PRGF arrangement. These parameters will provide a macroeconomic framework to be used in the budget preparation process, including the limits on the wage bill and major expenditure categories, and revenue targets.
- The government will, in consultation with the World Bank, prepare and publicize a strategy for the privatization of public enterprises, including EDD, ONED, AID, and the telecommunications company. With the assistance of the World Bank, it will finalize an action plan for each of these enterprises.

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Table 2. Djibouti: Quantitative Performance Criteria and Indicative Targets, 2000

(In millions of Djibouti francs; unless otherwise indicated)

	1999		2000			
	Dec. 31 Actual	Mar. 30 Actual	June. 30 Target	Jul. 30 Criteria	Sept. 30 Target	Dec. 31 Criteria
I. Ceiling on the wage bill 1/ 2/	14,634	3,654	7,500	8,750	11,230	14,950
II. Ceilings on domestic arrears 3/ 4/						
a. Stock of domestic arrears at end-period 5/	19,084	19,936	20,432	20,298	18,454	15,871
b. New arrears 2/ 6/	4,406	4,241	5,790	5,656	3,812	3,800
III. Ceilings on external arrears						
a. Government						
Outstanding at end-period 5/ 7/ 8/	603	676	0	0	0	0
New 2/ 9/	543	73	0	0	0	0
b. Public enterprises						
Outstanding at end-period 5/ 7/ 8/	3,025	3,025	0	0	0	0
New 2/ 9/	1,505	0	0	0	0	0
IV. Ceiling on National Bank net credit to the government 10/	1,776	2,591	2,500	2,500	3,000	3,500
V. Ceiling on commercial bank net credit to the government 10/ 11/	-19	-57	50	60	90	120
VI. Ceiling on government borrowing from public enterprises 2/	493	0	0	0	0	0
VII. Ceiling on contracting or guaranteeing of noncessional external debt with a maturity of more than one year (excluding trade-related credits)						
a. Government	0	0	0	0	0	0
b. Public enterprises	2,648	0	1,800	1,800	1,800	1,800
VIII. Floor for net international reserves (in millions of US dollars) 12/	7.5	7.0	7.0	7.2	7.2	7.5
Memorandum items: 2/ 13/						
Total external budgetary assistance	<u>2,811</u>	<u>749</u>	<u>662</u>	<u>576</u>	<u>1,523</u>	<u>4,112</u>
External budgetary loans	0	0	0	0	0	1,102
External budgetary grants	2,059	702	702	702	1,027	1,977
Other external budgetary assistance	752	47	-40	-126	496	1,033
IMF net disbursements	752	-86	-173	-259	363	900
AMF net disbursements	0	133	133	133	133	133

1/ The wage bill includes wages, salaries, indemnities, benefits, and allowances paid to civilian, military, and security personnel of general government. The ceilings and targets exclude the costs and savings from the program for the demobilization of security and military personnel but include the savings for the projected retirements.

2/ Cumulative flows from beginning of year.

3/ Arrears on wage bill, to private suppliers and to pension funds.

4/ If net external budget financing flows fall short of (exceed) the amounts assumed under the program, the ceilings or targets on domestic arrears will be adjusted upward (downward) by the shortfall (excess).

5/ All limits or targets are based on the end-1999 actual stock.

6/ Gross new arrears accumulated from beginning of year. Reflects, in particular, delays in payment of wages and salaries, which were equivalent to about three months at end-1999. The performance criterion for December 2000 is designed to give the authorities the option of reducing in that quarter either arrears accumulated before or after January 1, 2000.

7/ Any subsequent upward (downward) revision of this stock due to improved data will give rise to an equivalent upward (downward) adjustment of the ceilings and targets for each subsequent period.

8/ The ceilings or targets will be reduced by the amount that may be obtained under debt rescheduling or debt forgiveness.

9/ The performance criteria applies continuously.

10/ Stocks at end-of-period.

11/ Net credit to the government from the three presently operating commercial banks

12/ Defined as gross international reserves less external liabilities and currency issue. External liabilities are measured excluding use of IMF and AMF credits.

13/ The memorandum items are defined as follows: external budgetary loans and grants are only those in cash and exclude all loans and grants which are listed in the Public Investment Program or those which are earmarked by the donor for specific projects.